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Air Resources Board

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Gray Davis
Governor

December 20, 2001

Mailout #MSC 01-19

TO: All Interested Parties

SUBJECT: PUBLIC WORKSHOP TO DISCUSS A NEW STATEWIDE
ZERO-EMISSION VEHICLE INCENTIVE PROGRAM FOR
FLEETS OPERATING IN AREAS OF THE STATE WITH
THE WORST AIR QUALITY

The California Air Resources Board (ARB or Board) staff invites you to participate in a public workshop to discuss the development of a new Statewide Zero-Emission Vehicle (ZEV) Incentive Program. This program will provide grants for qualifying ZEVs that are operated by fleets located in areas of the State with the worst air quality. This workshop will be held at the following time and location:

DATE: Thursday, January 10, 2002

TIME: 4 p.m. to 7 p.m.

PLACE: Oldtimers Foundation
Patio Hall Meeting Room
3355 East Gage Avenue
Huntington Park, California 90255* (*see attached map*)

ZEV Fleet Incentive Program

Funding of \$10 million was approved in the Fiscal Year 2001-2002 State Budget. This funding is to be used to establish a new ZEV fleet incentive program. This funding will provide grants of up to \$11,000 per vehicle for new qualifying ZEVs that are purchased or leased between the years 2002 through June 2004, and are used by fleets operating in areas of California not in attainment with air quality standards. The Legislature directed ARB to award grants through a competitive bid process that gives preference to those fleets that will primarily use the vehicles in communities that are disproportionately impacted by poor air quality, including low income communities and communities of color (commonly referred to as "environmental justice" communities). Attached to this notice is additional background information and proposed program goals.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

On December 13, 2001, the Board approved broad ranging policies for its Environmental Justice program that are intended to assure clean air for all California communities. The policies that were adopted define environmental justices as the "fair treatment of people of all races, cultures, and incomes, with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies." The new policies form the framework for improving air quality and public health in all California communities. The new ZEV fleet incentive program is an important part of ARB's environmental justice program.

The Board is scheduled to consider the adoption of Guidelines to implement the new ZEV incentive program on February 21, 2001. These Guidelines will cover the program goals, the competitive bid process, fleet and vehicle eligibility, grant review and allocation process, project ranking criteria, and implementation schedule. At the Workshop, ARB staff will make a brief presentation on proposals for program Guidelines, and then solicit public input. Additional information will be available on ARB's website one week prior to the workshop at www.zevinfo.com.

To obtain this workshop notice, attachment, or other documents in an alternative format, please contact the ARB's Americans with Disabilities Act Coordinator at (916) 323-4916, TDD (916) 324-9531, or (800) 700-8326 for TDD calls from outside the Sacramento area.

Background

The original Statewide ZEV Incentive Program was created by Assembly Bill 2061 (Lowenthal, Statutes of 2000) and funded with an \$18 million appropriation from the State General Fund. Individuals, governments, state agencies, nonprofit organizations, and private businesses are eligible to receive grants up to \$9,000 per vehicle to encourage the purchase or lease of new zero-emission, light-duty cars or trucks between October 1, 2000 and December 31, 2002.

Additional funding of \$20 million was provided in the approved Fiscal Year 2001-2002 for ZEV incentives. This included \$10 million to continue providing grants for light-duty ZEVs. This will allow ZEV grants to be awarded through June 2004 (after the original eligibility period specified by Assembly Bill 2061 ends), as well as to consider providing grants for additional types of ZEVs not currently eligible for grants (including neighborhood electric vehicles and electric 3-wheel motorcycles). The other \$10 million was provided to establish a new ZEV incentive program for fleets in areas with the worst air quality, as described earlier.

Program Guidelines will cover both the fleet program and continuation of the ZEV grants. The January 10th workshop will focus on Guidelines for the ZEV Fleet Program.

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A Public Workshop was held on December 19, 2001 to solicit input on the ZEV grant program. And, an open comment period will be provided at this workshop, time allowing, for those who wish to comment on the Guidelines for the ZEV Grant Program. Additionally, ARB staff is available for one-on-one meetings and welcomes opportunities to make presentations to community groups or organizations.

This facility is accessible to persons with disabilities. If accommodation is needed, please contact Ms. Judy Yee, Program Manager of the Statewide ZEV Incentive Program, at (916) 327-5610 or toll free at (866) 808-0189, or persons with hearing or speech impairments can call TDD (916) 324-9531, or (800) 700-8326 for TDD calls from outside the Sacramento area.

Sincerely,

/S/

Robert H. Cross, Chief
Mobile Source Control Division

Attachment

cc: Ms. Judy Yee

Attachment 1

BACKGROUND AND PROPOSED PROGRAM GOALS New ZEV Incentive Fleet Program

The Legislature finds that air pollution is a serious and persistent problem for the health and welfare of the citizens of the state, and poses a threat to our natural environment. Certain areas of the State suffer from the greatest exposure to poor air quality. It is the intent of the Legislature to focus existing air quality programs more directly on those geographical areas that suffer from the greatest exposure to poor air quality. It is also the intent of the Legislature to include in any future appropriations that provide incentives for the purchase of ZEVs a concurrent appropriation for air quality programs designed to benefit communities with significant air quality problems.

Summarized Implementing Budget language:

Twenty million dollars is allocated for incentives for the purchase or lease of ZEVs. Ten million dollars is to be used to provide grants up to \$5,000 for the purchase or lease of a qualifying ZEV (ZIP II). The other \$10 million is to be used to provide grants up to \$11,000 per vehicle to subsidize the purchase or lease of ZEVs that will be used in fleets operating in nonattainment areas (ZIP II Fleet Program). The ARB shall award grants through a competitive bid process that gives preference to the award of grants to vehicles that are primarily operated in communities disproportionately impacted by poor air quality, including low-income communities and communities of color. Any vehicle that receives a grant of up to \$5,000 under ZIP II cannot be used to receive a grant under the ZIP II Fleet program.

- ? Implement an incentive program for ZEVs for fleets that operate in the geographical areas of the State with the poorest air quality.
- ? Promote the deployment of ZEVs in communities that are disproportionately impacted by poor air quality, especially low income communities and communities of color.
- ? Encourage projects that showcase ZEV technology to communities, or include education on the benefits of ZEV technology, so that all communities, including low-income and communities of color, can take a more active role in decisions affecting their local air quality.

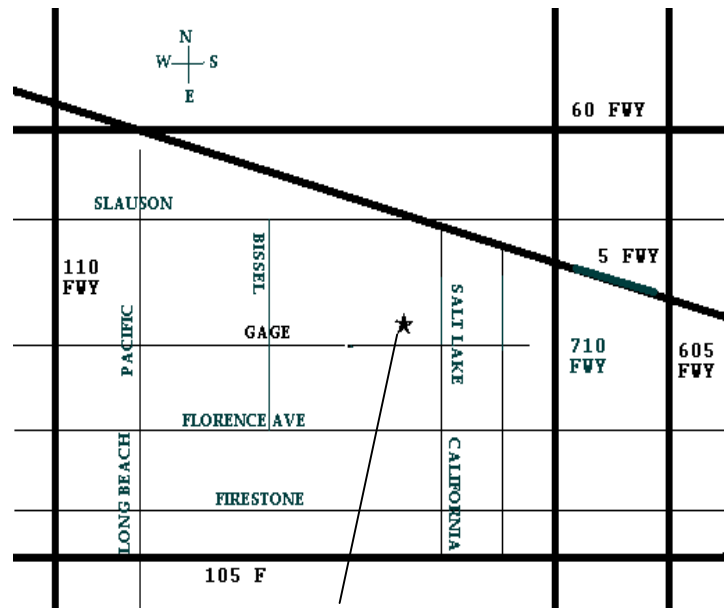
Attachment 2
MAP and DIRECTION for WORKSHOP LOCATION

From the North on 5

1. **I-5 SOUTH** towards **LOS ANGELES**.
2. **710** towards **Pasadena**
3. Exit **Florence**, go **WEST**
4. **RIGHT** on **Atlantic**
5. **LEFT** on **Gage**
6. Go past the **train tracks**, its on the **right-hand side**.

From LAX

1. Take the **I-105 EAST/IMPERIAL HWY WEST** ramp towards **IMPERIAL TERMINAL**.
2. Merge onto **I-105 E**.
3. Take **I-110 RAMP** towards **LOS ANGELES**.
4. Merge onto **I-110 N**
5. Take the exit towards **GAGE AVE**.
6. Merge onto **S GRAND AVE**
7. Turn **RIGHT** onto **W GAGE AVE**.



3355 East Gage Avenue
Huntington Park, CA 90255
Phone (323) 582-6000